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LISTING STATEMENT No. 2164

LISTED MARCH 31st, 1964

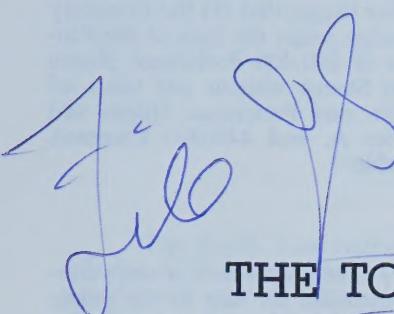
50,000 6½% Cumulative Redeemable
Preference Shares, Series A, of
\$25 par value each

Ticker abbreviation "ITL PR"

Post section 10

440,000 Common Shares without par value
Ticker abbreviation "ITL"

Post section 10



THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

I. T. L. INDUSTRIES LIMITED

incorporated under the laws of the Province of Ontario
by letters patent dated December 4, 1963.

6½% CUMULATIVE REDEEMABLE PREFERENCE SHARES, SERIES A

with a par value of \$25 each

COMMON SHARES

without par value

(Transferable in Toronto, Montreal, Winnipeg and Vancouver)

CAPITAL SECURITIES AS AT MARCH 2, 1964

CAPITAL SECURITIES:

	AUTHORIZED	ISSUED	TO BE ISSUED	TO BE LISTED
Preference Shares with a par value of \$25 each, issuable in series	200,000	50,000 Series A (1)	None	50,000
Common Shares without par value	1,000,000	440,000	None	440,000

NOTE: (1) These 50,000 Preference Shares have been designated as 6½% Cumulative Redeemable Preference Shares, Series A.

March 23rd, 1964.

1.

APPLICATION

I.T.L. INDUSTRIES LIMITED (herein called the "Company") hereby makes application for listing on The Toronto Stock Exchange of 50,000 6½% Cumulative Redeemable Preference Shares, Series A with a par value of \$25 each (herein sometimes called the "Series A Preference Shares") and 440,000 Common Shares without par value (herein called the "Common Shares") all of which are issued and outstanding as fully paid and non-assessable.

2.

REFERENCE TO THE PROSPECTUS

Reference is hereby made to the attached prospectus issued by the Company under date of January 31, 1964 with respect to the offering of 50,000 6½ % Cumulative Redeemable Preference Shares, Series A with a par value of \$25 each and 100,000 Common Shares without par value of the Company in units consisting of one Series A Preference Share and two Common Shares, a copy of which prospectus is hereby incorporated in this application and made part hereof.

3.

OPINION OF COUNSEL

Messrs. Bell & MacEachern, 1922 Wyandotte Street East, Windsor, Ontario, counsel for the Company, are filing in support of this application an opinion stating, among other things, that (i) the Company is duly incorporated and is a valid and subsisting corporation in good standing under the laws of the Province of Ontario; and (ii) the authorized capital of the Company consists of 200,000 Preference Shares with a par value of \$25 each, issuable in series and 1,000,000 Common Shares without par value of which 50,000 of the said Preference Shares, being the first series of the said Preference Shares and being designated 6½ % Cumulative Redeemable Preference Shares, Series A, and 440,000 Common Shares have been issued and are outstanding as fully paid and non-assessable.

4.

STATUS UNDER SECURITIES ACT

The offering of the 50,000 Series A Preference Shares and 100,000 Common Shares in units consisting of one Series A Preference Share and two Common Shares were qualified for sale to the public in all Provinces of Canada.

5.

LISTING ON OTHER STOCK EXCHANGES

None of the securities of the Company are listed on any other Stock Exchange.

6.

FISCAL YEAR

The fiscal year of the Company ends on November 30 in each year.

7.

ANNUAL MEETING

Under the By-laws of the Company the annual meeting of shareholders will be on such day in each year as the board of directors of the Company from time to time may determine. No annual meeting has yet been held.

8.

HEAD OFFICE

The head office of the Company is located at Huron Line at Malden Road, Township of Sandwich West, Ontario and the Post Office address is P.O. Box 68, Sandwich Postal Station, Windsor, Ontario.

9.

TRANSFER AGENTS AND REGISTRARS

National Trust Company, Limited at its principal transfer offices in Toronto, Montreal, Winnipeg and Vancouver is the transfer agent and registrar for the Series A Preference Shares and Common Shares of the Company.

10.

TRANSFER FEE

No fee is charged on the transfer of the Series A Preference Shares and Common Shares other than customary stock transfer tax.

11.

AUDITORS

The auditors of the Company are Messrs. Stephens, McLean & Co., Chartered Accountants, 1204 Canada Building, Windsor, Ontario.

12.

DIRECTORS

Robert Matthew Barr	Manufacturer	7 Galbraith Drive, Stoney Creek, Ontario.
Charles Adams Bell, Q.C.	Solicitor	2430 Gladstone Avenue, Windsor, Ontario.
John Smith Gairdner	Investment Dealer	1502 Lakeshore Highway East, Oakville, Ontario.
Peter Hedgewick	Engineer	2375 Windermere Road, Windsor, Ontario.
Fred Norton Heuchan	Manufacturer	4025 Riverside Drive East, Windsor, Ontario.
Richard William Keeley	Manufacturer	1 Buckingham Drive, Riverside, Ontario.
John Howard Hawke	Investment Dealer	303 Rose Park Drive, Toronto, Ontario.

This prospectus is not, and under no circumstances is to be construed as, a public offering of these securities for sale in the United States of America or in the territories or possessions thereof.

NEW ISSUES

I.T.L. Industries Limited

(Incorporated under the laws of the Province of Ontario)

50,000 6½% Cumulative Redeemable Preference Shares, Series A

(with a par value of \$25 each)

and

100,000 Common Shares

(without par value)

In Units consisting of one Series A Preference Share and
two Common Shares

The 6½% Cumulative Redeemable Preference Shares, Series A (herein sometimes called the "Series A Preference Shares") are to be fully paid and non-assessable; entitled to fixed cumulative preferential cash dividends (accruing from February 20, 1964) as and when declared by the board of directors at the rate of 6½% per annum payable quarterly on the first days of January, April, July and October in each year (from and including April 1, 1964) by cheques payable at par at any branch of the Company's bankers in Canada (far northern branches excepted). The Series A Preference Shares are to be redeemable at any time in whole or from time to time in part on at least thirty days' notice at \$25 per share together with all accrued and unpaid preferential dividends thereon.

A full statement of the provisions relating to the Preference Shares as a class and to the Series A Preference Shares is set out in the Statutory Information forming part of this prospectus.

Series A Preference Share Purchase Fund

So long as any of the Series A Preference Shares are outstanding the Company shall, subject to certain conditions more fully set out herein, on or before the first day of March in each year, commencing with the year 1966, set aside \$25,000 as a purchase fund for the purchase of Series A Preference Shares for cancellation.

Transfer Agent and Registrar

National Trust Company, Limited—Toronto, Montreal, Winnipeg and Vancouver

The listing on The Toronto Stock Exchange of these Series A Preference Shares and the Common Shares to be outstanding has been approved subject to the filing of required documents and evidence of satisfactory distribution both within ninety days from the date of approval.

PRICE: \$30.00 per Unit

We, as principals, offer these Units, subject to prior sale and change in price, if, as and when issued and accepted by us and subject to the approval of all legal matters on our behalf by Messrs. Fraser, Beatty, Tucker, McIntosh & Stewart, Toronto and on behalf of the Company by Messrs. Bell & MacEachern, Windsor.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

It is expected that interim share certificates for the Series A Preference Shares and Common Shares will be available for delivery on or about February 20, 1964.

The following information has been supplied by the President of I.T.L. Industries Limited.

The Company

I.T.L. Industries Limited (hereinafter called the "Company") was incorporated under the laws of the Province of Ontario on December 4, 1963. On December 23, 1963 the Company acquired all the outstanding shares of International Tools, Limited, which is now a wholly owned subsidiary of the Company.

International Tools, Limited

International Tools, Limited (hereinafter called "International") was incorporated on April 1, 1947 to assume the business of a previously existing partnership.

Originally started as a tool, die and stamping shop, International is now, and has been for some years, exclusively engaged in the fabrication of moulds, many of which are used in the injection or compression moulding of plastics. International has been instrumental in developing many new types of moulds. Many of International's customers are other manufacturing companies who fabricate products either entirely made of plastic, or incorporating component parts made of plastic.

The manufacture of permanent steel moulds for the die casting industry has always been an important segment of International's business. This feature has recently assumed greater importance with the increased use of heavy aluminum castings by the automotive industry. Competition is low in this type of business since few plants in North America have either the experience or equipment to manufacture this type of tooling.

Mould Manufacturing

Moulds must be manufactured to extremely close tolerances from high quality tool steel able to withstand the great pressures to which the moulds are subjected. The steel must be clean and free from all inclusions. Owing to the degree of precision required, highly skilled labour and close attention to detail are required. Much of the work on certain types of moulds is done almost entirely by engravers. Because the companies which purchase the moulds usually have strict production schedules of their own to meet, it is highly important that the mould manufacturer be able to meet its delivery commitments on time.

Since making its first plastic injection mould in 1947, International has consistently adhered to the highest possible standards of manufacture and delivery. The latest techniques and equipment are used and production is carefully scheduled to meet customer requirements.

Moulds manufactured by International fall into four main categories. The first or general category includes moulds for the production of almost any item capable of being injection moulded in plastic. Such moulds are used in the manufacture of parts for automotive trim and household appliances, furniture, housewares and model car kits. The second category consists of compression moulds designed to produce parts for car heaters and electrical apparatus. The third category consists of moulds used in the manufacture of lenses for tail lights and parking lights of automobiles. The manufacture of such moulds includes some highly specialized processes which must be carried out under carefully controlled conditions. This is necessary to ensure that the finished lenses will meet the required SAE (Society of Automotive Engineers) standard of reflectivity. International is the only SAE approved Canadian manufacturer of certain components used in these moulds. Constant research is carried on by International in this highly specialized lens moulding field. The fourth category consists of the moulds, referred to above, used in the production of heavy aluminum castings.

Current Sales and Business Outlook

The majority of International's sales are made to large manufacturers in the United States. Because the development and sale of a mould is a highly technical matter, many of the sales are negotiated by top executives of International. In addition, International has direct representation in Detroit and New York through which close contact with customers is maintained at all times.

Some of the major customers which International serves are General Motors Corporation, Ford Motor Company, A.M.T. Corporation, Continental Plastics Company, Detroit Plastic Products Co., Champion Molded Plastics Inc., Du Pont of Canada Limited, Kelvinator of Canada, Limited, Northern Electric Company Limited and Ontario Steel Products Company, Limited. In addition there are some 200 other accounts.

International's backlog of orders on hand currently totals approximately \$2,000,000 and has shown a steady increase over the years. Because of the high volume of work submitted to it and because of its excellent reputation for quality workmanship, International is able to keep its plant operating at, or close to, maximum production. With the rapid increase in the general use of plastics, particularly by the automotive industry, International foresees continued expansion of its business. To provide for the anticipated increased business, plans are being made for the present facilities to be expanded in 1964.

Manufacturing Facilities

Located in Windsor, Ontario, International's plant consists of three buildings. The main factory is a modern building of approximately 32,600 square feet constructed for International in 1957 and enlarged in 1960 and 1962. Immediately adjacent is a pattern shop which is owned by International and rented to the owners of a pattern business. Much of the work carried out here is done for International and the arrangement is beneficial to both parties. The third building is a smaller plant previously occupied by International. This building is now being equipped to produce mould bases, which are required with the majority of orders. Here, also, moulds are tested prior to shipment to customers.

Plant equipment is completely modern and in excellent condition. Since April 30, 1956 net capital expenditures on plant and equipment have amounted to approximately \$1,200,000. The expansion proposed for 1964 is expected to be made at a cost of some \$400,000. International recently acquired 4.59 acres of land adjoining its present property to provide room for still further expansion as required.

International has a total staff of approximately 265 people. Essentially all those working in the plant are highly skilled craftsmen. To ensure a constant supply of skilled labour, an apprentice programme is in effect. Workers with special skills have also been recruited in Western Europe.

Wholly Owned Subsidiary

International Tools (U.K.) Limited (hereinafter called "U.K.") is a wholly owned subsidiary of International located in Great Britain. Since setting up business in December, 1962, U.K. has expanded its facilities and labour force. U.K. is expected to become an increasingly valuable part of the business. Since becoming a wholly owned subsidiary of International, U.K.'s reputation for producing quality moulds and cores has grown in both Great Britain and North America. Sales of U.K.'s products in both Canada and the United States are handled by International. In addition to relatively low labour rates and operating costs, U.K. will receive the benefits of certain tax incentives until the end of 1965.

Capitalization

Upon completion of the present financing, the capitalization of I.T.L. Industries Limited will be:

	<u>Authorized</u>	<u>Issued and Outstanding</u>
Preference Shares with a par value of \$25 each, issuable in series...	200,000 shares	
6½% Cumulative Redeemable Preference Shares, Series A.....		50,000 shares
Common Shares without par value.....	1,000,000 shares	440,000 shares

Purpose of Issue

The net proceeds from the sale of the securities offered by this prospectus will be used, to the extent of approximately \$1,186,000, for the repayment of bank indebtedness and, to the extent of \$155,000, for the repayment of a promissory note. The balance of the proceeds will be used to pay preliminary expenses and to provide additional working capital for the Company and its subsidiaries.

Consolidated Net Tangible Assets

According to the accompanying Pro Forma Consolidated Balance Sheet of the Company and its wholly owned subsidiaries, as at December 31, 1963 the consolidated net tangible assets amounted to approximately \$40 per Series A Preference Share to be outstanding.

Summary of Certain Provisions Attaching to the Series A Preference Shares

RIGHTS ON LIQUIDATION

1. In the event of the liquidation, dissolution or winding up of the Company or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs the holders of Series A Preference Shares shall be entitled to \$25 per share plus all accrued and unpaid preferential dividends before any amount shall be paid or any property or assets of the Company distributed to the holders of shares of any class ranking junior to the Series A Preference Shares; thereafter the holders of Series A Preference Shares shall not be entitled to share in any further distribution of the property or assets of the Company.

RIGHT OF COMPANY TO PURCHASE

2. Subject to certain provisions the Company may at any time or times purchase (if obtainable) for cancellation all or any part of the Series A Preference Shares outstanding from time to time at a price not exceeding the price at which such shares are redeemable (including accrued and unpaid preferential dividends) plus costs of purchase.

RESTRICTIONS ON PAYMENT OF DIVIDENDS, REDEMPTIONS, ETC.

3. The Company shall not declare, pay or set apart any dividends on any shares of the Company ranking junior to the Preference Shares unless all dividends up to and including the dividend payable for the last completed quarter on each series of the Preference Shares then issued and outstanding shall have been declared and paid or set apart for payment.

4. No series of Preference Shares shall be authorized having a dividend rate exceeding 7% per annum.

5. The Company shall not redeem, purchase, reduce or otherwise pay off any shares ranking junior to the Preference Shares unless all dividends up to and including the dividend payable for the last completed quarter on each series of the Preference Shares then issued and outstanding shall have been declared and paid or set apart for payment.

6. The Company shall not

- (i) declare or pay any dividends (other than stock dividends in shares of the Company ranking junior to the Series A Preference Shares) on any of its shares at any time outstanding and ranking junior to the Series A Preference Shares; or
- (ii) redeem, reduce, purchase or otherwise pay off any of its shares at any time outstanding and ranking junior to the Series A Preference Shares (except out of the proceeds of an issue of shares ranking junior to the Series A Preference Shares made at any time after the first day of March, A.D. 1964, and prior to or contemporaneously with any such redemption, reduction, purchase or payment); or
- (iii) elect to pay any tax on undistributed income under the provisions of Section 105 of the Income Tax Act (Revised Statutes of Canada 1952, Chapter 148) as now enacted or as the same may from time to time be amended or re-enacted or elect to pay any tax under any similar provisions

unless immediately after giving effect to such action the aggregate amount

- (a) declared and/or paid subsequent to the incorporation of the Company as dividends (other than stock dividends in shares of the Company ranking junior to the Series A Preference Shares) on all shares of all classes of the Company; and
- (b) distributed and/or paid (on redemption, reduction, purchase or other payment off) subsequent to the incorporation of the Company in respect of all shares (other than Preference Shares) of all classes of the Company; and
- (c) elected to be paid as tax as above mentioned

will not be more than the aggregate of the consolidated net earnings available for dividends (as defined) of the Company and its subsidiaries (as defined) subsequent to December 31, 1963, plus the net cash proceeds to the Company of the issue after March 1, 1964, of any of its shares ranking junior to the Series A Preference Shares.

VOTING RIGHTS

7. The holders of the Series A Preference Shares shall not have any voting rights nor shall they be entitled to receive notice of or attend shareholders' meetings (except that they shall be entitled to notice of meetings of the shareholders to authorize the dissolution of the Company or the sale of its undertaking or a substantial part thereof) unless dividends on the Preference Shares of any series become in arrears to the extent of 8 quarterly dividends, whereupon, until all arrears of dividends on the Preference Shares have been paid, such holders shall be entitled to receive notice of and to attend all shareholders' meetings and to one vote in respect of each Series A Preference Share held and, together with the holders of all other outstanding Preference Shares, shall be entitled to elect 2 directors, if the Company's board of directors consists of 7 or fewer directors, or 3 directors if the board consists of more than 7 directors.

ISSUE OF ADDITIONAL PREFERENCE SHARES

8. The authorized but unissued Preference Shares shall be issuable in one or more series, with such provisions as the directors of the Company may by resolution determine and as may be set forth in supplementary letters patent. The Preference Shares of each series shall rank on a parity with the Preference Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Company. No class of shares is to be created ranking as to capital or dividends prior to or on a parity with the Preference Shares without the approval of the holders of the Series A Preference Shares given in a specified manner and the authorized amount of Preference Shares is not to be increased without such approval.

The Company shall not issue any Preference Shares in excess of the 50,000 Series A Preference Shares without the prior approval of the holders of the Series A Preference Shares given in a specified manner unless the average annual consolidated net earnings available for dividends (as defined) of the

Company and its subsidiaries for the two completed fiscal years next preceding the date of issuance have been at least equal to 3 times the annual dividend requirements on all the Preference Shares to be outstanding immediately after such issue.

PURCHASE FUND

9. So long as any of the Series A Preference Shares are outstanding and subject to certain conditions, the Company shall on or before March 1 in each year, commencing with the year 1966, set aside as a purchase fund for the purchase of Series A Preference Shares for cancellation the sum of \$25,000, the purchase fund to be used for such purchase as set forth in the Statutory Information forming part of this prospectus; provided that the Company in any year shall only be required to set aside for purchase fund purposes an amount (if such amount is less than \$25,000) which when added to amounts theretofore set aside and not used or applied on or before February 1 of such year for the purchase of Series A Preference Shares would equal \$100,000.

REDEMPTION RIGHTS

10. The Series A Preference Shares are to be redeemable at the option of the Company in whole or in part from time to time (subject to certain provisions) on not less than 30 days' notice at \$25 per share together with all accrued and unpaid preferential dividends to the date of redemption.

The foregoing statement with respect to the Series A Preference Shares is not complete and is qualified in its entirety by reference to the full provisions attached to the Preference Shares as a class and to the Series A Preference Shares which appear in the Statutory Information forming part of this prospectus.

INTERNATIONAL TOOLS, LIMITED

and its wholly owned subsidiary

INTERNATIONAL TOOLS (U.K.) LIMITED

Statement of Consolidated Earnings

For the Ten Fiscal Periods Ended December 31, 1962
and the Ten Months Ended October 31, 1963

Fiscal Period	Total Earnings Before Depreciation and Taxes on Income	Depreciation	Taxes on Income	Net Earnings
Year ended April 30, 1954.....	\$ 92,289	\$12,837	\$ 33,812	\$ 45,640
Year ended April 30, 1955.....	105,147	15,379	33,359	56,409
Year ended April 30, 1956.....	118,000	23,561	39,485	54,954
Year ended April 30, 1957.....	161,426	39,210	52,845	69,371
Year ended April 30, 1958.....	194,110	58,066	62,919	73,125
Year ended April 30, 1959.....	203,774	70,351	60,291	73,132
Year ended April 30, 1960.....	310,224	94,398	104,311	111,515
Eight months ended December 31, 1960.....	250,704	60,470	93,499	96,735
Year ended December 31, 1961.....	330,172	97,312	117,334	115,526
Year ended December 31, 1962.....	549,519	93,828	217,321	238,370
Ten months ended October 31, 1963.....	684,457	96,426	268,600	319,431

NOTES: 1. Consolidated earnings for the ten months ended October 31, 1963 include the earnings of International Tools (U.K.) Limited for the period from the date of acquisition, November 27, 1962, to October 31, 1963.

2. Earnings for the year ended December 31, 1962 were reduced by a special provision for doubtful accounts of \$100,000 which was not claimed as a deduction from income in calculating income tax. The account for which the provision was made has since been paid in full and the amount has been restored to surplus. In the above statement this amount has been added to earnings for the year.
3. Taxes on income are assessed to December 31, 1962. The amounts of taxes shown are in accordance with and agree in total with the assessments, but have been allocated to the respective years in accordance with income.
4. Depreciation has been provided at maximum rates permitted for income tax purposes.

Auditors' Report

To the Directors,

INTERNATIONAL TOOLS, LIMITED.

We have examined the statement of consolidated earnings of International Tools, Limited and its wholly owned subsidiary, International Tools (U.K.) Limited, for the ten fiscal periods ended December 31, 1962 and the ten months ended October 31, 1963. Our examination with respect to International Tools, Limited included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. The accounts of International Tools (U.K.) Limited were examined by other Chartered Accountants and are included in the statement of consolidated earnings on the basis of their report.

In our opinion, the accompanying statement with the notes thereto presents fairly the consolidated earnings of the companies for the ten fiscal periods ended December 31, 1962 and the ten months ended October 31, 1963 in accordance with generally accepted accounting principles, applied in all material respects on a consistent basis throughout the periods.

Windsor, Ontario,
January 31, 1964.

(Signed) STEPHENS, MCLEAN & CO.
Chartered Accountants.

I.T.L. INDUSTRIES LIMITED
 and its wholly owned subsidiaries
Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet
as at December 31, 1963 (Note 1)

The pro forma consolidated balance sheet gives effect to the following transactions:

- (1) The granting of supplementary letters patent dated January 24, 1964 to I.T.L. Industries Limited changing the authorized capital to 200,000 Preference Shares with a par value of \$25 each, of which 50,000 Preference Shares have been designated as 6½% Cumulative Redeemable Preference Shares, Series A, and 1,000,000 Common Shares without par value.
- (2) The issue and sale to underwriters of 50,000 6½% Cumulative Redeemable Preference Shares, Series A and 100,000 Common Shares without par value for \$1,475,000, less \$75,000 commission.
- (3) The repayment of a bank loan of \$1,186,000 and the payment of a promissory note of \$155,000.
- (4) The payment of expenses of issue estimated to aggregate \$20,000 and of preliminary expenses estimated at \$15,000.
- (5) The addition to cash of \$24,000 being the balance of the proceeds of the issue.

	Assets	Consolidated Balance Sheet	Pro Forma Consolidated Balance Sheet
CURRENT			
Cash.....	\$ 58,126	\$ 82,126	
Accounts receivable, less provision for doubtful accounts of \$243,074...	911,717	911,717	
Inventory of materials and work in process (Note 2).....	349,866	349,866	
Prepaid expenses.....	9,239	9,239	
Total Current Assets.....	<u>1,328,948</u>	<u>1,352,948</u>	
MORTGAGE RECEIVABLE—6%.....	7,837	7,837	
FIXED			
Lands, buildings, machinery, equipment and leasehold improvements (Note 3).....	1,820,158	1,820,158	
Less: Accumulated depreciation.....	381,219	381,219	
	<u>1,438,939</u>	<u>1,438,939</u>	
DEFERRED CHARGES			
Organization and financing expenses.....	15,000	110,000	
EXCESS OF COST OF SHARES OF SUBSIDIARY COMPANY over net book value of assets acquired.....	126,170	126,170	
	<u>\$2,916,894</u>	<u>\$3,035,894</u>	
	Liabilities		
CURRENT			
Bank loans—Secured.....	\$1,386,000	\$ 200,000	
Accounts payable and accrued liabilities.....	421,327	406,327	
Income taxes payable.....	189,567	189,567	
Note payable—Hedgewick Enterprises Limited.....	155,000	—	
Total Current Liabilities.....	<u>2,151,894</u>	<u>795,894</u>	
CAPITAL STOCK			
Authorized—			
500,000 shares without par value			
Issued and fully paid—			
100 shares for cash.....	225		
339,900 shares as part consideration for the acquisition of the shares of International Tools, Limited.....	764,775		
	<u>765,000</u>		
Pro Forma			
Authorized—			
200,000 Preference Shares with a par value of \$25 each, issuable in series			
1,000,000 Common Shares without par value			
Issued and fully paid—			
50,000 6½% Cumulative Redeemable Preference Shares, Series A..	1,250,000		
100,100 Common Shares for cash.....	225,225		
339,900 Common Shares as part consideration for the acquisition of the shares of International Tools, Limited.....	764,775		
	<u>2,240,000</u>		
Approved on behalf of the Board	<u>\$2,916,894</u>	<u>\$3,035,894</u>	
(Signed) P. HEDGEWICK, Director			
(Signed) CHARLES A. BELL, Director			

I.T.L. INDUSTRIES LIMITED

and its wholly owned subsidiaries

Notes to Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet as at December 31, 1963

1. The consolidated balance sheet and pro forma consolidated balance sheet include the consolidated balance sheet of International Tools, Limited and its wholly owned subsidiary, International Tools (U.K.) Limited, as at October 31, 1963.
2. Inventories are valued, as to materials and stores, at the lower of cost or market, and as to labour and work being done by others, at actual cost. In accordance with the subsidiary companies' usual procedure, the value of work in process has not been increased by the addition of overhead charges.
3. Fixed assets are carried in the accounts of the subsidiary companies as follows:

International Tools, Limited:

Machinery and equipment at appraisal value as determined by Canadian Appraisal Company Limited as at October 31, 1963.....	\$1,243,195
<hr/>	
Other assets, at cost:	
Land.....	\$ 49,457
Buildings.....	439,503
Office furniture and equipment.....	<u>38,864</u> 527,824
	<u>\$1,771,019</u>

International Tools (U.K.) Limited:

Machinery, equipment and leasehold improvements, at cost.....	49,139
<hr/>	

4. Certain net assets, amounting to \$647,991 net, which are realizable in U.S. funds, are shown at par. Based on exchange rates at October 31, 1963 the premium on exchange (which has not been included) amounted to \$47,789.
5. The accounts of International Tools (U.K.) Limited are included at the rate of exchange as at October 31, 1963, which rate closely approximates the average rate for the year and the rate in effect at the date of acquisition of that company.

Auditors' Report

To the Directors,
I.T.L. INDUSTRIES LIMITED.

We have examined the consolidated balance sheet and the pro forma consolidated balance sheet of I.T.L. Industries Limited and its wholly owned subsidiaries as at December 31, 1963 consolidated on the basis set out in Note 1 thereto. The balance sheet of International Tools (U.K.) Limited as at October 31, 1963, with the report thereon of other Chartered Accountants, has been accepted by us for inclusion in the accompanying consolidated balance sheet and pro forma consolidated balance sheet. With respect to I.T.L. Industries Limited and International Tools, Limited, our examination included a general review of the accounting procedures and other supporting evidence as we considered necessary in the circumstances.

In our opinion, based on our examination and the report of the Chartered Accountants referred to above, the accompanying consolidated balance sheet, with the notes thereto, presents fairly the financial position of the companies as at December 31, 1963 in accordance with generally accepted accounting principles.

In our opinion, based on our examination and the report of the Chartered Accountants referred to above, the accompanying pro forma consolidated balance sheet, with the notes thereto, presents fairly the financial position of the companies as at December 31, 1963 after giving effect to the transactions set out in the heading thereto, in accordance with generally accepted accounting principles.

(Signed) STEPHENS, MCLEAN & Co.
Chartered Accountants.

Windsor, Ontario,
January 31, 1964.

STATUTORY INFORMATION

1. The full name of the Company is I. T. L. Industries Limited (hereinafter called the "Company"). The address of the head office of the Company is Huron Line at Malden Road, Township of Sandwich West, Ontario, and the post office address is P.O. Box 68, Sandwich Postal Station, Windsor, Ontario.

2. The Company was incorporated as a private company under the laws of the Province of Ontario by letters patent dated the 4th day of December, 1963 with an authorized capital consisting of 500,000 shares without par value. By supplementary letters patent dated the 24th day of January, 1964 the Company was converted to a public company, the said 500,000 shares without par value were designated as Common Shares without par value and the authorized capital of the Company was increased to 200,000 Preference Shares with a par value of \$25 each, issuable in series, of which 50,000 shares were designated as 6½% Cumulative Redeemable Preference Shares, Series A, and 1,000,000 Common Shares without par value (including the first mentioned 500,000 shares which were designated as Common Shares).

3. The general nature of the business actually transacted or to be transacted by the Company, directly or through subsidiaries, is the manufacture and fabrication of moulds.

4. The names in full, the present occupations and the home addresses in full of the directors and officers of the Company are as follows:

Directors

ROBERT MATTHEW BARR.....	<i>Manufacturer</i>	7 Galbraith Drive, Stoney Creek, Ontario
CHARLES ADAMS BELL, Q.C.....	<i>Solicitor</i>	2430 Gladstone Avenue, Windsor, Ontario
JOHN SMITH GAIRDNER.....	<i>Investment Dealer</i>	1502 Lakeshore Highway East, Oakville, Ontario
PETER HEDGEWICK.....	<i>Engineer</i>	2375 Windermere Road, Windsor, Ontario
FRED NORTON HEUCHAN.....	<i>Manufacturer</i>	4025 Riverside Drive East, Windsor, Ontario.
RICHARD WILLIAM KEELEY.....	<i>Manufacturer</i>	1 Buckingham Drive, Riverside, Ontario
JOHN HOWARD HAWKE.....	<i>Investment Dealer</i>	303 Rose Park Drive, Toronto, Ontario

Officers

PETER HEDGEWICK.....	<i>President</i>	2375 Windermere Road, Windsor, Ontario
CHARLES ADAMS BELL, Q.C.....	<i>Secretary</i>	2430 Gladstone Avenue, Windsor, Ontario
ROBERT WILLIAM BRAITHWAITE....	<i>Treasurer</i>	3150 Dandurand Avenue, Sandwich West, Windsor, Ontario

5. The auditors of the Company are Messrs. Stephens, McLean & Co., Chartered Accountants, 1204 Canada Building, Windsor, Ontario. Mr. Charles W. Stephens, a partner in such firm, was a director of International Tools, Limited, a subsidiary of the Company, from May 4, 1953 to December 23, 1963, but had no beneficial interest in any shares of International Tools, Limited.

6. The transfer agent and registrar for the 6½% Cumulative Redeemable Preference Shares, Series A with a par value of \$25 each and Common Shares without par value in the capital of the Company is National Trust Company, Limited at its principal transfer offices in the Cities of Toronto, Montreal, Winnipeg and Vancouver.

7. The authorized capital of the Company consists of 200,000 Preference Shares with a par value of \$25 each, issuable in series, and 1,000,000 Common Shares without par value. 50,000 of the said Preference Shares are designated as 6½% Cumulative Redeemable Preference Shares, Series A. Up to the date hereof 340,000 Common Shares have been issued and are outstanding as fully paid.

8. The Preference Shares with a par value of \$25 each (hereinafter called "Preference Shares") have attached thereto, as a class, preferences, rights, conditions, restrictions, limitations and prohibitions substantially as follows:

(a) The Preference Shares may at any time or from time to time be issued in one (1) or more series, each series to consist of such number of shares as may before the issue thereof be determined by the directors; the directors of the Company may (subject as hereinafter provided) by resolution fix from time to time before the issue thereof the designation, preferences, rights, conditions, restrictions, limitations or prohibitions attaching to the Preference Shares of each series including, without limiting the generality of the foregoing, the rate of preferential dividends, the dates of payment thereof, the redemption price and terms and conditions of redemption, conversion rights (if any) and any sinking fund or other provisions, the whole subject to the issue of Supplementary Letters Patent setting forth the designation, preferences, rights, conditions, restrictions, limitations or prohibitions attaching to the Preference Shares of such series;

(b) The Preference Shares of each series shall be entitled to preference over the Common Shares of the Company, and over any other shares ranking junior to the Preference Shares, with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs and may also be given such other preferences over the Common Shares of the Company and any other shares ranking junior to the Preference Shares as may be determined as to the respective series authorized to be issued;

(c) The Preference Shares of each series shall rank on a parity with the Preference Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs; no series of Preference Shares shall be authorized which shall have a dividend rate in excess of seven per cent (7%) per annum on the amounts from time to time paid up thereon or be entitled to receive upon liquidation, dissolution or winding up or upon redemption a sum in excess of one hundred and ten per cent (110%) of the amounts paid up thereon plus a sum equivalent to all unpaid dividends accumulated thereon;

(d) The holders of the Preference Shares shall not be entitled as such (except as hereinafter specifically provided) to receive notice of or to attend any meeting of the shareholders of the Company or to vote at any such meeting (but shall be entitled to receive notice of meetings of shareholders of the Company called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof) unless and until the Company from time to time shall fail to pay in the aggregate eight (8) quarterly dividends on the Preference Shares of any one (1) series on the dates on which the same should be paid according to the terms thereof and unless and until eight (8) quarterly dividends on such shares shall remain outstanding and be unpaid whether or not consecutive and whether or not such dividends have been declared and whether or not there are any moneys of the Company properly applicable to the payment of dividends; thereafter but only so long as any dividends on the Preference Shares of any series remain in arrears the holders of the Preference Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Company and shall be entitled to one (1) vote in respect of each Preference Share held and in addition shall be entitled, voting separately and exclusively as a class, to elect two (2) members of the board of directors of the Company if the board consists of seven (7) or fewer directors or three (3) members of the board of directors if the board consists of more than seven (7) directors; nothing herein contained shall be deemed to limit the right of the Company from time to time to increase or decrease the number of its directors;

Notwithstanding anything contained in the by-laws of the Company, the term of office of all persons who may be directors of the Company at any time when the right to elect directors shall accrue to the holders of Preference Shares as herein provided, or who may be appointed as directors thereafter and before a meeting of shareholders shall have been held, shall terminate upon the election of directors at the next annual meeting of shareholders or at a general meeting of shareholders which may be held for the purpose of electing directors at any time after the accrual of such right to elect directors upon not less than twenty (20) days' written notice and which shall be called by the secretary of the Company upon the written request of the holders of record of at least one-tenth (1/10) of the outstanding Preference Shares; in default of the calling of such general meeting by the secretary within five (5) days after the making of such request, such meeting may be called by any holder of record of Preference Shares;

Any vacancy or vacancies occurring among members of the board elected by the holders of Preference Shares, voting separately and exclusively as a class, in accordance with the foregoing provisions may be filled by the board of directors with the consent and approval of the remaining director or directors elected by the holders of Preference Shares, voting separately and exclusively as a class, but if there be no such remaining director or directors the board may elect or appoint sufficient holders of Preference Shares to fill the vacancy or vacancies; whether or not such vacancy or vacancies is or are so filled by the board, the holders of record of at least one-tenth (1/10) of the outstanding Preference Shares shall have the right to require the secretary of the Company to call a meeting of the holders of Preference Shares for the purpose of filling the vacancy or vacancies or replacing all or any of the persons elected or appointed to fill such vacancy or vacancies and the provisions of the last preceding paragraph shall apply with respect to the calling of any such meeting;

Notwithstanding anything contained in the by-laws of the Company (i) upon any termination of the said right to elect directors, the term of office of the directors elected or appointed to represent the holders of Preference Shares exclusively shall forthwith terminate and (ii) the holding of One (1) Preference Share shall be sufficient to qualify a person for election or appointment as a director of the Company to represent the holders of Preference Shares exclusively; and

(e) The authorization required by subsection 4 of section 33 of The Corporations Act to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Preference Shares as a class or to create preference shares ranking in priority to or on a parity with the Preference Shares may be given by at least two-thirds ($\frac{2}{3}$) of the votes cast at a meeting of the holders of the Preference Shares duly called for that purpose and held upon at least fifteen (15) days' notice at which the holders

of at least a majority of the outstanding Preference Shares are present or represented by proxy; if at any such meeting the holders of a majority of the outstanding Preference Shares are not present or represented by proxy within one-half ($\frac{1}{2}$) an hour after the time appointed for such meeting, then the meeting shall be adjourned to such date being not less than twenty-one (21) days later and to such time and place as may be appointed by the chairman and not less than fifteen (15) days' notice shall be given of such adjourned meeting but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called; at such adjourned meeting the holders of Preference Shares present or represented by proxy may transact the business for which the meeting was originally called and a resolution passed thereat by not less than two-thirds ($\frac{2}{3}$) of the votes cast at such meeting shall constitute the authorization of the holders of the Preference Shares referred to above; the formalities to be observed in respect of the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed by the by-laws of the Company with respect to meetings of shareholders; on every poll taken at every such meeting or adjourned meeting every holder of Preference Shares shall be entitled to one (1) vote in respect of each Preference Share held.

The first series of the said class of Preference Shares consists of 50,000 shares with a par value of \$25 each (hereinafter referred to as the "Series A Preference Shares") designated "6½% Cumulative Redeemable Preference Shares, Series A" and, in addition to the preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the Preference Shares as a class, having attached thereto preferences, rights, conditions, restrictions, limitations and prohibitions substantially as follows:

(1) The holders of the Series A Preference Shares shall be entitled to receive and the Company shall pay thereon as and when declared by the board of directors out of the moneys of the Company properly applicable to the payment of dividends fixed cumulative preferential cash dividends at the rate of six and one-half per cent (6½%) per annum payable quarterly on the first days of January, April, July and October in each year on the amounts from time to time paid up thereon; such dividends shall accrue from such date or dates not later than six (6) months after the respective dates of issue as may in the case of each issue be determined by the board of directors of the Company or in case no date be so determined then from the date of allotment; cheques of the Company payable at par at any branch of the Company's bankers for the time being in Canada (far northern branches excepted) shall be issued in respect of such dividends; if on any dividend payment date the dividend payable on such date is not paid in full on all the Series A Preference Shares then issued and outstanding, such dividend or the unpaid part thereof shall be paid on a subsequent date or dates determined by the board of directors of the Company on which the Company shall have sufficient moneys properly applicable to the payment of the same;

(2) In the event of the liquidation, dissolution or winding up of the Company or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs the holders of the Series A Preference Shares shall be entitled to receive the amount paid up on such shares together with all accrued and unpaid preferential dividends (which for such purpose shall be calculated as if such dividends were accruing for the period from the expiration of the last quarterly period for which such dividends have been paid up to the date of distribution) before any amount shall be paid or any property or assets of the Company distributed to the holders of any Common Shares or shares of any other class ranking junior to the Series A Preference Shares; after payment to the holders of the Series A Preference Shares of the amount so payable to them they shall not be entitled to share in any further distribution of the property or assets of the Company;

(3) No dividends shall at any time be declared or paid upon or set apart for payment on any shares of the Company ranking junior to the Preference Shares unless all dividends up to and including the dividend payable for the last completed quarter on each series of the Preference Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such declaration or payment or setting apart for payment on such shares of the Company ranking junior to the Preference Shares nor shall the Company call for redemption or purchase for cancellation or reduce or otherwise pay off any of the Preference Shares (less than the total amount then outstanding) or any shares of the Company ranking junior to the Preference Shares unless all dividends up to and including the dividend payable for the last completed quarter on each series of the Preference Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment off;

(4) Subject to the provisions of clause (3) hereof, the Company may at any time or times purchase (if obtainable) for cancellation all or any part of the Series A Preference Shares outstanding from time to time in the market (including purchase through or from an investment dealer or firm holding membership on a recognized stock exchange) or by invitation for tenders addressed to all the holders of record of the Series A Preference Shares outstanding at the lowest price or prices at which, in the opinion of the directors, such shares are obtainable but not exceeding the price at which, at the date of purchase, such shares are redeemable as provided in clause (5) hereof (including accrued and unpaid preferential dividends as provided in the said clause (5)) plus costs of purchase; if upon any invitation for tenders under the provisions of this clause the Company shall receive tenders of Series A Preference Shares at the same lowest price

which the Company may be willing to pay in an aggregate number greater than the number for which the Company is prepared to accept tenders, the Series A Preference Shares so tendered which the Company determines to purchase at such price shall be purchased as nearly as may be pro rata (disregarding fractions) according to the number of Series A Preference Shares so tendered by each of the holders of Series A Preference Shares who submitted tenders at the said same lowest price;

(5) Subject to the provisions of clause (3) hereof, the Company may upon giving notice as herein-after provided redeem at any time the whole or from time to time any part of the then outstanding Series A Preference Shares on payment for each share to be redeemed of the amount paid up on such share together with all accrued and unpaid preferential dividends (which for such purpose shall be calculated as if the dividends on the Series A Preference Shares were accruing for the period from the expiration of the last quarterly period for which such dividends have been paid up to the date of such redemption);

(6) In any case of redemption of Series A Preference Shares under the provisions of clause (5) hereof, the Company shall at least thirty (30) days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of Series A Preference Shares to be redeemed a notice in writing of the intention of the Company to redeem such Series A Preference Shares; such notice shall be mailed in a prepaid letter addressed to each such shareholder at his address as it appears on the books of the Company or in the event of the address of any such shareholder not so appearing then to the last known address of such shareholder; provided, however, that accidental failure or omission to give any such notice to one (1) or more of such holders shall not affect the validity of such redemption; such notice shall set out the redemption price and the date on which redemption is to take place and if part only of the Series A Preference Shares held by the person to whom it is addressed is to be redeemed the number thereof so to be redeemed; on or after the date so specified for redemption the Company shall pay or cause to be paid to or to the order of the registered holders of the Series A Preference Shares to be redeemed the redemption price on presentation and surrender at the head office of the Company or any other place within Canada designated in such notice of the certificates representing the Series A Preference Shares so called for redemption; such payment shall be made by cheques payable at par at any branch of the Company's bankers for the time being in Canada (far northern branches excepted); if a part only of the Series A Preference Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued at the expense of the Company; from and after the date specified for redemption in any such notice, the Series A Preference Shares called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected; the Company shall have the right at any time after the mailing of notice of its intention to redeem any Series A Preference Shares as aforesaid to deposit the redemption price of the Series A Preference Shares so called for redemption or of such of the said shares represented by certificates as have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption to a special account in any chartered bank or any trust company in Canada named in such notice to be paid without interest to or to the order of the respective holders of such Series A Preference Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Series A Preference Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the said certificates held by them respectively; any interest allowed on any such deposit shall belong to the Company;

(7) Subject as hereinafter provided, so long as any of the Series A Preference Shares are outstanding the Company shall on or before the first day of March in each year, commencing with the year 1966, set aside as a purchase fund for the purchase of Series A Preference Shares for cancellation the sum of Twenty-five Thousand dollars (\$25,000); provided that if under the foregoing provisions the Company would be required to set aside in any year for purchase fund purposes an amount which when added to the amounts theretofore set aside as a purchase fund in respect of the Series A Preference Shares and not used or applied on or before the first day of February in such year for the purposes hereinafter provided would aggregate an amount in excess of One Hundred Thousand dollars (\$100,000) then the Company in such year shall only be required to set aside for purchase fund purposes an amount which when added to the said amounts theretofore set aside and not used or applied as aforesaid will equal One Hundred Thousand dollars (\$100,000);

Subject to the provisions of clause (3) hereof and as hereinafter in this clause provided, the amounts from time to time set aside as a purchase fund in respect of the Series A Preference Shares shall be applied as soon as practicable to the purchase of Series A Preference Shares (if obtainable) in the market at the lowest price or prices at which in the opinion of the directors such shares are obtainable but not exceeding an amount equal to the amount paid up thereon plus costs of purchase; to the extent to which Series A Preference Shares cannot be so purchased at prices not exceeding the said price the Company shall not be obligated to make any application of the purchase fund in the purchase of Series A Preference Shares but

shall reserve the same until such shares in the opinion of the directors can be so purchased and so on from time to time so long as any of the Series A Preference Shares shall be outstanding; any moneys set aside in the purchase fund in accordance with the foregoing provisions need not be kept separate from other moneys of the Company and pending the application thereof in the purchase of Series A Preference Shares in accordance with the provisions of this clause (7) may be employed in the business of the Company; notwithstanding the foregoing the Company may at any time reduce or extinguish the purchase fund or anticipate the whole or any part of its purchase fund obligations by purchasing or redeeming Series A Preference Shares as provided in clauses (4) and (5) hereof and charging or crediting the cost of, or amount required to redeem, such Series A Preference Shares to reduce or extinguish the purchase fund or in reduction of any purchase fund obligations thereafter becoming due;

Notwithstanding anything herein contained the Company shall not purchase Series A Preference Shares out of the purchase fund or make any application of the purchase fund in the purchase of Series A Preference Shares if after giving effect to such purchase the aggregate amount declared and/or paid subsequent to the incorporation of the Company as dividends (other than in shares of the Company) on all shares of all classes of the Company and distributed and/or paid (on redemption, reduction, purchase or other payment off) subsequent to the incorporation of the Company in respect of all shares of all classes of the Company will be greater than the aggregate of the consolidated net earnings available for dividends of the Company and its subsidiaries subsequent to the thirty-first day of December, A.D. 1963, plus the net cash proceeds to the Company of the issue after the first day of March, A.D. 1964, of any of its shares;

"Consolidated net earnings available for dividends" of the Company and its subsidiaries means all the gross earnings and income of the Company and all its subsidiaries from all sources less all administrative, selling and operating charges and expenses of every character and all fixed charges of the Company and all its subsidiaries (but excluding gains or losses on the disposal of investments and fixed assets) arrived at on a consolidated basis in accordance with generally accepted accounting practice; without limiting the generality of the foregoing, operating charges and expenses shall include insurance, maintenance, repairs, renewals (except such expenditures for renewals as are chargeable to capital account in accordance with generally accepted accounting practice), rentals, licences, taxes (including taxes on income), all interest, such provisions or allowances for bad and doubtful debts as the directors in their discretion with the approval of the Company's auditors may determine and, in addition to actual expenditures for maintenance, reasonable allowance for depreciation; provided that the net earnings of any subsidiary for the purpose of this definition shall only include such part of the net earnings and income of such subsidiary calculated as aforesaid as under generally accepted accounting practice is applicable to those shares of such subsidiary which are held by the Company or any other subsidiary, that the earnings or losses of any subsidiary shall only be included from the date when such subsidiary became a subsidiary of the Company and that the Company's auditors shall determine the earnings or losses of any subsidiary for the period from the date when such subsidiary became a subsidiary of the Company to the end of the fiscal year of such subsidiary during which it became a subsidiary of the Company;

"Subsidiary" means (a) any corporation or company of which all the outstanding shares of each class of its shares are for the time being owned by or held for the Company and/or any other corporation or company in like relation to the Company and includes any corporation or company in like relation to a subsidiary; and (b) any corporation or company of which more than fifty per cent (50%) of the outstanding voting shares are for the time being owned by or held for the Company and/or any subsidiary of the Company if but only if the directors of the Company by resolution (passed either before or after fifty per cent (50%) of the outstanding voting shares of such corporation or company become owned by or held for the Company and/or any subsidiary of the Company) determine that such corporation or company shall be deemed to be a subsidiary of the Company and only so long as more than fifty per cent (50%) of the outstanding voting shares of such corporation or company are owned by or held for the Company and/or any subsidiary of the Company; any such resolution shall not be revocable and shall be conclusive and binding upon all parties in interest; "voting shares" as used in this definition means shares of any class carrying voting rights but shall not include shares of any class carrying limited voting rights or carrying voting rights by reason of the happening of any contingency whether or not such contingency shall have happened; if by reason of any such resolution any corporation or company (hereinafter called a "deemed subsidiary") is deemed to be a subsidiary of the Company then any corporation or company of which more than fifty per cent (50%) of the outstanding voting shares are or shall at any time be owned by or held for a deemed subsidiary and/or any other corporation or company in like relation to a deemed subsidiary shall be deemed to be a subsidiary of the Company and any other corporation or company in like relation to such a corporation or company shall also be deemed to be a subsidiary of the Company;

For the purposes of this clause (7) and of clause (8) hereof and subject to the foregoing provisions hereof the directors of the Company may from time to time determine the consolidated net earnings available for dividends of the Company and its subsidiaries as of a date not more than ninety (90) days prior to the making of such determination and may determine such consolidated net earnings available for dividends to be not less than a stated amount without determining the exact amount thereof; in making any such determination the directors shall consider and may rely on the last available audited consolidated

balance sheet of the Company and its subsidiaries and/or the last available audited balance sheet of the Company reported on by the Company's auditors and may consider and rely on the last available unaudited consolidated balance sheet of the Company and its subsidiaries and/or the last available unaudited balance sheet of the Company prepared by the accounting officers of the Company and upon any other financial statement, report or other data which they may consider reliable; provided that the directors shall not make any such determination on the basis of any such balance sheet, statement, report or other data if to their knowledge any event has happened which would materially and adversely affect such consolidated net earnings available for dividends as determined on such basis; upon any determination having been made by the directors under the foregoing provisions the consolidated net earnings available for dividends of the Company and its subsidiaries as at any date within a period of ninety (90) days following the date as of which such determination is made (unless any further determination of such consolidated net earnings available for dividends is so made within the said period) shall be conclusively deemed to be not less than the amount stated in such determination and such determination shall be conclusive and binding on the Company and the holders of shares of every class;

- (8) So long as any of the Series A Preference Shares are outstanding the Company shall not
 - (i) declare or pay any dividends (other than stock dividends in shares of the Company ranking junior to the Series A Preference Shares) on any of its shares at any time outstanding and ranking junior to the Series A Preference Shares; or
 - (ii) redeem, reduce, purchase or otherwise pay off any of its shares at any time outstanding and ranking junior to the Series A Preference Shares (except out of the proceeds of an issue of shares ranking junior to the Series A Preference Shares made at any time after the first day of March, A.D. 1964, and prior to or contemporaneously with any such redemption, reduction, purchase or payment); or
 - (iii) elect to pay any tax on undistributed income under the provisions of Section 105 of the Income Tax Act (Revised Statutes of Canada 1952, Chapter 148) as now enacted or as the same may from time to time be amended or re-enacted or elect to pay any tax under any similar provisions

unless immediately after giving effect to such action the aggregate amount

- (a) declared and/or paid subsequent to the incorporation of the Company as dividends (other than stock dividends in shares of the Company ranking junior to the Series A Preference Shares) on all shares of all classes of the Company; and
- (b) distributed and/or paid (on redemption, reduction, purchase or other payment off) subsequent to the incorporation of the Company in respect of all shares (other than Preference Shares) of all classes of the Company; and
- (c) elected to be paid as tax as mentioned in subdivision (iii) immediately preceding

will not be more than the aggregate of the consolidated net earnings available for dividends of the Company and its subsidiaries subsequent to the thirty-first day of December, A.D. 1963, determined in the manner hereinbefore provided, plus the net cash proceeds to the Company of the issue after the first day of March, A.D. 1964, of any shares of its capital ranking junior to the Series A Preference Shares;

(9) The Company shall not issue any Preference Shares in excess of the Fifty Thousand (50,000) Series A Preference Shares without the prior approval of the holders of the Series A Preference Shares given as hereinafter specified unless the average annual consolidated net earnings available for dividends of the Company and its subsidiaries for the two (2) completed fiscal years next preceding the date of issuance have been at least equal to three (3) times the annual dividend requirements on all the Preference Shares to be outstanding immediately after such issue; a report of the Company's auditors for the time being as to whether the Company is or is not entitled to issue any Preference Shares without the prior approval aforesaid shall be conclusive and binding on the Company and the holders of shares of every class;

"Consolidated net earnings available for dividends" as used in this clause (9) means the consolidated net earnings available for dividends of the Company and its subsidiaries calculated as provided in clause (7) hereof except that in calculating consolidated net earnings available for dividends in connection with a proposed issue of Preference Shares (but not for any other purpose) the Company shall be deemed to have had completed fiscal years in each of the years 1962 and 1963 and for such years the consolidated net earnings available for dividends (calculated in accordance with the provisions herein contained respecting consolidated net earnings available for dividends) of International Tools, Limited (a company incorporated under the laws of the Province of Ontario by letters patent dated the first day of April, A.D. 1947,) and its subsidiary for their fiscal years ended in such years shall be included as net earnings of the Company and the auditors of the Company may rely upon a report of the auditors of the said International Tools, Limited and its subsidiary with respect to such consolidated net earnings available for dividends;

(10) No class of shares may be created ranking as to capital or dividends prior to or on a parity with the Preference Shares without the approval of the holders of the Series A Preference Shares given as hereinafter specified nor shall the authorized amount of Preference Shares be increased without such

approval; provided that nothing in this clause (10) contained shall prevent the Company from issuing additional series of the authorized Preference Shares without such approval;

(11) The provisions hereof contained in clauses numbered (1) to (12) both inclusive and clauses lettered (a) to (e) both inclusive or any of them may be deleted, varied, modified, amended or amplified by Supplementary Letters Patent but only with the approval of the holders of the Series A Preference Shares given as hereinafter specified, in addition to any vote or authorization required by The Corporations Act; and

(12) The approval of holders of the Series A Preference Shares as to any and all matters referred to herein (in addition to or as distinct from any vote or authorization required by The Corporations Act) may be given by resolution passed at a meeting of the holders of the Series A Preference Shares duly called and held upon at least fifteen (15) days' notice at which the holders of at least a majority of the outstanding Series A Preference Shares are present or represented by proxy and carried by the affirmative vote of the holders of not less than two-thirds ($\frac{2}{3}$) of the Series A Preference Shares represented and voted at such meeting cast on a poll; if at any such meeting the holders of a majority of the outstanding Series A Preference Shares are not present or represented by proxy within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to such date being not less than twenty-one (21) days later and to such time and place as may be appointed by the chairman and at least fifteen (15) days' notice shall be given of such adjourned meeting but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called; at such adjourned meeting the holders of Series A Preference Shares present or represented by proxy may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of the holders of not less than two-thirds ($\frac{2}{3}$) of the Series A Preference Shares represented and voted at such adjourned meeting cast on a poll shall constitute the approval of the holders of Series A Preference Shares referred to above; the formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed in the by-laws of the Company with respect to meetings of shareholders; on every poll taken at every such meeting or adjourned meeting every holder of Series A Preference Shares shall be entitled to one (1) vote in respect of each Series A Preference Share held;

Any authorization required by subsection 4 of section 33 of The Corporations Act may be given by at least two-thirds ($\frac{2}{3}$) of the votes cast at a meeting of the holders of the Series A Preference Shares duly called for that purpose.

The holders of the Common Shares are entitled to one vote for each such share held.

9. There are no bonds, debentures or other securities outstanding or proposed to be issued by the Company which, if issued, would rank ahead of or pari passu with the securities offered by this prospectus other than in the ordinary course of business and except as referred to in paragraph **10** hereof. The Series A Preference Shares will rank ahead of the Common Shares offered by this prospectus to the extent specified in the statement of the preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the Preference Shares as a class and to the Series A Preference Shares as set forth in paragraph **8** hereof.

10. No substantial indebtedness not shown in the pro forma consolidated balance sheet of the Company and its subsidiaries as at December 31, 1963 forming part of this prospectus is now intended to be created or assumed by the Company except that it is anticipated that expansion of the plant facilities of International Tools, Limited will be undertaken during 1964 at a cost of approximately \$400,000. If such expansion is undertaken in whole or in part the Company may have to borrow funds for such purpose. Details of such borrowing (and of any security therefor) can not presently be given but such borrowing will rank ahead of the securities offered by this prospectus.

11. There are no securities of the Company covered by options outstanding or proposed to be given by the Company.

12. The Company proposes to issue 50,000 $6\frac{1}{2}\%$ Cumulative Redeemable Preference Shares, Series A with a par value of \$25 each (hereinafter sometimes called "Series A Preference Shares") and 100,000 Common Shares without par value (hereinafter called "Common Shares"). The securities offered by this prospectus are as stated on the face of this prospectus to which reference is hereby made.

Pursuant and subject to the terms and conditions of an underwriting agreement dated January 10, 1964 between the Company and Gairdner & Company Limited (herein referred to as the "Underwriter") the Underwriter has agreed to buy on its own behalf and the Company has agreed to sell on the terms and conditions set forth in the said underwriting agreement:

(a) the said 50,000 Series A Preference Shares at the price of \$25 per share flat;

(b) the said 100,000 Common Shares at the aggregate price of \$225,000 (being at the rate of \$2.25 per share).

The price payable to the Company for the 50,000 Series A Preference Shares and 100,000 Common Shares is in each case payable by the Underwriter on the issuance thereof to the Underwriter. The issue price to the public of the Series A Preference Shares and Common Shares is \$30 per unit, each unit consisting of 1 Series A Preference Share and 2 Common Shares.

By the said underwriting agreement, the Company has agreed to pay the Underwriter a commission of \$1.50 per Series A Preference Share in consideration of the Underwriter subscribing for the said 50,000 Series A Preference Shares. The said commission is payable by the Company at the time of the issue of the Series A Preference Shares to the Underwriter against payment of the purchase price therefor.

No securities have been offered for subscription within the two years preceding the date hereof.

13. The estimated net proceeds to be derived from the issue and sale by the Company of the Series A Preference Shares and the said 100,000 Common Shares on the basis of the same being fully taken up and paid for are \$1,400,000 less legal and auditing fees and other expenses in connection with the issue, which fees and expenses are estimated at \$20,000.

14. The net proceeds to be derived by the Company from the sale of the Series A Preference Shares and the said 100,000 Common Shares proposed to be issued will be used to retire the Company's bank indebtedness hereinafter referred to in the amount of \$1,186,000 and accrued interest, to pay the Company's promissory note in the principal amount of \$155,000 referred to in paragraph **21** hereof, to pay the preliminary expenses referred to in paragraph **20** hereof and to provide additional working capital for the Company and its subsidiaries.

15. In the opinion of the directors the minimum amount which must be raised by the issue of the Series A Preference Shares and the said 100,000 Common Shares to provide for the sums required for the purposes mentioned in paragraph **14** hereof is \$1,400,000. Reference is made to paragraphs **12** and **13** hereof.

16. By an underwriting agreement dated January 10, 1964 between the Company and the Underwriter the Company has agreed to sell and the Underwriter has agreed to buy the 50,000 6½% Cumulative Redeemable Preference Shares, Series A and the said 100,000 Common Shares at the prices referred to in paragraph **12** hereof and the Company has agreed to pay the commission referred to in paragraph **12** hereof to the Underwriter, all pursuant and subject to the terms and conditions of the said underwriting agreement.

17. The by-laws of the Company contain the following provisions as to the remuneration of the directors:

"The remuneration to be paid to the directors shall be such as the board of directors shall from time to time determine and such remuneration shall be in addition to the salary paid to any officer or employee of the Company who is also a member of the board of directors. The directors may also by resolution award special remuneration to any director undertaking any special services on the Company's behalf other than the routine work ordinarily required of a director by the Company and the confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Company."

18. The first financial year of the Company will end on November 30, 1964. The aggregate remuneration estimated to be paid or payable by the Company in the current financial year to directors of the Company, as such, is \$7,000. The aggregate remuneration estimated to be paid or payable in the current financial year by the Company and its subsidiaries to officers of the Company, as such, who individually are entitled to receive remuneration in excess of \$10,000 per annum is \$60,000.

19. No amount has been paid within the two preceding years or is now payable by the Company as a commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for shares in or obligations of the Company other than as set out in paragraph **12** hereof, reference to which is hereby made.

20. The estimated amount of preliminary expenses of the Company is \$35,000 inclusive of the fees and expenses referred to in paragraph **13** hereof.

21. No property has been purchased or acquired by the Company or is proposed to be purchased or acquired by the Company the purchase price of which is to be defrayed in whole or in part out of the proceeds of the securities hereby offered or has been paid within the last two years preceding the date hereof or is to be paid in whole or in part in securities of the Company or the purchase or acquisition of which has not been completed at the date hereof other than transactions entered into in the ordinary course of operations or on the general credit of the Company and except the purchase by the Company of 2500 preference shares with a par value of \$10 each and 700 common shares with a par value of \$10 each (being all the outstanding shares) of International Tools, Limited from Hedgewick Enterprises Limited, 2375 Windermere Road, Windsor, Ontario, and Gairdner, Son & Company Limited, 10th Floor, 320

Bay Street, Toronto, Ontario, jointly for \$2,105,775, which sum was satisfied by the allotment and issue as fully paid and non-assessable of 339,900 shares (now Common Shares) of the Company, by the delivery by the Company of its promissory note for \$155,000 and by payment of \$1,186,000. The said \$1,186,000 was borrowed by the Company from a chartered bank and Gairdner, Son & Company Limited and Gairdner & Company Limited have guaranteed the repayment of such amount together with interest thereon. Hedgewick Enterprises Limited has agreed to indemnify Gairdner, Son & Company Limited with respect to part of the liability under the said guarantee. The Company has acquired good title to all the outstanding shares of International Tools, Limited which are pledged to the said bank as security for the said loan of \$1,186,000 and which are to be released on repayment of the said loan.

22. No securities have been issued or agreed to be issued by the Company as fully or partly paid otherwise than in cash within the two years preceding the date hereof except the 339,900 Common Shares referred to in paragraph **21** hereof. The said 339,900 Common Shares were issued by the Company as fully paid as part of the purchase price of all the outstanding shares of International Tools, Limited.

23. No services have been rendered or are to be rendered to the Company which are to be paid for by the Company wholly or in part out of the proceeds of the Series A Preference Shares and the said 100,000 Common Shares referred to in paragraph **12** hereof, except legal, audit and other services in connection with the incorporation and organization of the Company, the acquisition of all the outstanding shares of International Tools, Limited and the issue of the securities offered by this prospectus and other than services to be rendered in the ordinary course of business. No services have been rendered within the two years preceding the date hereof or are to be rendered to the Company which have been paid for or are to be paid for by securities of the Company.

24. No amount has been paid within the two years preceding the date hereof or is intended to be paid to any promoter of the Company. Reference is made, however, to paragraph **21** hereof.

25. The dates of and the parties to and the general nature of every material contract entered into within the two years preceding the date hereof (other than contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company) are as follows:

- (i) an agreement dated December 23, 1963 between the Company as purchaser and Hedgewick Enterprises Limited and Gairdner, Son & Company Limited as vendors providing for the purchase by the Company of all the outstanding shares of International Tools, Limited referred to in paragraph **21** hereof;
- (ii) the underwriting agreement dated January 10, 1964 between the Company and the Underwriter referred to in paragraph **12** hereof relating to the issue and sale of the Series A Preference Shares and the said 100,000 Common Shares referred to in the said paragraph **12**;
- (iii) an agreement dated December 23, 1963 between the Company and Peter Hedgewick relating to Peter Hedgewick not competing with the Company or its subsidiaries.

Copies of the documents referred to in subparagraphs (i) to (iii) inclusive hereof may be inspected at the head office of the Company during ordinary business hours at any time during the period of primary distribution to the public of the Series A Preference Shares and Common Shares offered by this prospectus.

Contracts may be entered into in connection with the expansion of plant facilities referred to in paragraph **10** hereof.

26. Except as referred to in paragraph **21** hereof the Company has not acquired and does not propose to acquire any property in which any director has an interest. Mr. Peter Hedgewick and Mr. Charles Adams Bell are officers, directors and shareholders of Hedgewick Enterprises Limited and Mr. John Smith Gairdner and Mr. John Howard Hawke are directors and officers of Gairdner, Son & Company Limited which is wholly-owned by Gairdner & Company Limited, 320 Bay Street, Toronto, Ontario, of which Mr. Gairdner and Mr. Hawke are both directors, officers and shareholders. Hedgewick Enterprises Limited and Gairdner, Son & Company Limited were the vendors to the Company of all the outstanding shares of International Tools, Limited. No sum has been paid or agreed to be paid to any director or to any firm of which any director is a partner in cash or securities or otherwise by any person either to induce him to become or to qualify him as a director or otherwise for services rendered by him or by any such firm in connection with the promotion or formation of the Company except that Mr. Charles Adams Bell, who is a director of the Company, is a partner in the firm of Bell & MacEachern, counsel for the Company, which firm is to be paid by the Company for professional services rendered to the Company in connection with the acquisition of all the outstanding shares of International Tools, Limited and the issue of the securities offered by this prospectus.

27. The Company has been carrying on business since December 23, 1963 when it acquired all the outstanding shares of International Tools, Limited. International Tools, Limited has been carrying on business for more than 3 years. International Tools (U.K.) Limited (a subsidiary of International Tools, Limited since November 27, 1962) has been carrying on its present business since December 4, 1962 when it acquired the plant, machinery, leaseholds and other assets with which it is now carrying on business. The Company does not presently propose to acquire any other business.

28. By reason of beneficial ownership of Common Shares of the Company and an agreement in writing between Hedgewick Enterprises Limited and Gairdner, Son & Company Limited to which agreement Glengair Investments Limited has become a party, Hedgewick Enterprises Limited and Glengair Investments Limited are in a position to elect or cause to be elected a majority of the directors of the Company. The address of Hedgewick Enterprises Limited (all the outstanding shares of which are beneficially owned by Mr. Peter Hedgewick, a director of the Company, his wife and children) is 2375 Windermere Road, Windsor, Ontario. The address of Glengair Investments Limited (a controlling interest in which is held by Mr. J. S. Gairdner, a director of the Company, and shares of which are also held by Mr. J. H. Hawke, who is a director of the Company) is the 10th Floor, 320 Bay Street, Toronto, Ontario. Under the terms of such agreement the issuance of further Common Shares is or may be restricted.

29. No securities of the Company are held in escrow.

30. No dividends have been paid by the Company.

31. Mr. Peter Hedgewick has entered into an agreement dated December 23, 1963 with International Tools, Limited providing for his employment by it until December 31, 1968.

32. There are no other material facts not disclosed in the foregoing.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), Section 39 of The Securities Act, 1954 (Saskatchewan), Section 13 of the Security Frauds Prevention Act (New Brunswick), Part IX of The Securities Act, 1955 (Alberta), The Securities Act (British Columbia) and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible.

Dated this 31st day of January, 1964.

(Signed) CHARLES A. BELL

(Signed) J. S. GAIRDNER

(Signed) J. H. HAWKE

(Signed) P. HEDGEWICK

(Signed) R. M. BARR,
by his agent,
(Signed) J. H. HAWKE

(Signed) R. W. KEELEY
(Signed) F. N. HEUCHAN }
} by their agent,
(Signed) P. HEDGEWICK

HEDGEWICK ENTERPRISES LIMITED
by (Signed) P. HEDGEWICK

GAIRDNER, SON & COMPANY LIMITED
by (Signed) J. S. GAIRDNER

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), Section 39 of The Securities Act, 1954 (Saskatchewan), Section 13 of the Security Frauds Prevention Act (New Brunswick), Part IX of The Securities Act, 1955 (Alberta), The Securities Act (British Columbia) and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge, we have relied upon the accuracy and adequacy of the foregoing.

Underwriter

GAIRDNER & COMPANY LIMITED
by (Signed) H. V. SHAW

The following includes the names of all individuals having more than a 5% interest in the capital of Gairdner & Company Limited: J. S. Gairdner, H. V. Shaw, J. H. Hawke, G. C. Watt, J. H. Brown, F. J. McDonald, A. T. Kenner, I. K. Ferguson and R. H. Smith.

13.

OFFICERS

Peter Hedgewick	President	2375 Windermere Road, Windsor, Ontario.
Charles Adams Bell, Q.C.	Secretary	2430 Gladstone Avenue, Windsor, Ontario.
Robert William Braithwaite	Treasurer	3150 Dandurand Avenue, Sandwich West, Windsor, Ontario.

14.

CERTIFICATE

Pursuant to a resolution passed by the board of directors the applicant Company hereby applies for listing of the above mentioned securities on The Toronto Stock Exchange, the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

I.T.L. INDUSTRIES LIMITED



"P. HEDGEWICK", President
"CHARLES A. BELL", Secretary

Distribution of Preference stock as of March 10th, 1964

Number			Shares
511	Holders of	1 — 99 share lots	17,139
75	" "	100 — 199 " "	8,005
12	" "	200 — 299 " "	2,425
4	" "	300 — 399 " "	1,380
1	" "	400 — 499 " "	400
2	" "	500 — 999 " "	1,060
1	" "	1000 — up " "	19,591*
<hr/>	606 Shareholders		Total shares 50,000

*Of which 5,065 are held by 62 clients

Distribution of Common stock as of March 10th, 1964

Number			Shares
306	Holders of	1 — 99 share lots	13,144
159	" "	100 — 199 " "	16,535
58	" "	200 — 299 " "	11,700
7	" "	300 — 399 " "	2,100
10	" "	400 — 499 " "	4,041
6	" "	500 — 999 " "	3,860
6	" "	1000 — up " "	388,620*
<hr/>	552 Shareholders		Total shares 440,000

*Of which 13,420 are held by 80 clients.

